

COMPANY REGISTRATION NUMBER 02744978

**SIENA ARTWORKS LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2007**



SIENA ARTWORKS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principle activity is the packaging of book titles

DIRECTORS

The directors who served the company during the year were as follows

A J C Baird
R J Walton
D N C Baird

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is controlled by the Board of Directors of the ultimate parent company, Duncan Baird Publishers Limited, and is subject to general financial risk including liquidity risk, cash flow risk and credit risk. The board has established objectives and policies for managing these financial risks and these are reviewed regularly. Examples of methods used to mitigate these risks include the maintenance of ongoing cash flows, appraisal of clients' creditworthiness and adequate provisions for bad debts and overstocks.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SIENA ARTWORKS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2007

AUDITOR

The auditor, Arnold Hill & Co, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors



D N C BAIRD

Director

Approved by the directors on 16 September 2008

SIENA ARTWORKS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SIENA ARTWORKS LIMITED
YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Siena Artworks Limited for the year ended 31 December 2007 on pages 5 to 8, which have been prepared on the basis of the accounting policies set out on page 7

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SIENA ARTWORKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIENA ARTWORKS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2007

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Arnold Hill & Co

ARNOLD HILL & CO
Chartered Accountants & Registered Auditors
Craven House
16 Northumberland Avenue
London
WC2N 5AP

Date *19 September 2008*

SIENA ARTWORKS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER		25,628	30,549
Cost of sales		<u>7,610</u>	<u>26,375</u>
GROSS PROFIT		18,018	4,174
Administrative expenses		<u>1,763</u>	1,763
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,255	2,411
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		16,255	2,411
Balance brought forward		<u>2,409</u>	<u>(2)</u>
Balance carried forward		<u>18,664</u>	<u>2,409</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 7 to 8 form part of these financial statements

SIENA ARTWORKS LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Stocks		2,557	—
Debtors	3	23,392	15,488
		<u>25,949</u>	<u>15,488</u>
CREDITORS: Amounts falling due within one year	4	<u>7,283</u>	<u>13,077</u>
NET CURRENT ASSETS		<u>18,666</u>	<u>2,411</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,666</u>	<u>2,411</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	2	2
Profit and loss account		<u>18,664</u>	<u>2,409</u>
SHAREHOLDERS' FUNDS	6	<u>18,666</u>	<u>2,411</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors and authorised for issue on 16 September 2008 and are signed on their behalf by


D N C BAIRD

The notes on pages 7 to 8 form part of these financial statements

SIENA ARTWORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with all applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover in the profit and loss account represents the amounts earned on projects, recognised on a project by project basis as and when separately identifiable elements of that project have been completed

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress, on a project by project basis, represents the difference between the actual costs incurred by the company and the estimated costs that the company has recognised in relation to these projects. Where the estimated costs, on a project by project basis, are in excess of the actual costs incurred by the company, a liability is recognised for the difference

2. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	31 Dec 07 £	31 Dec 06 £
Current tax		
UK Corporation tax based on the results for the year at an average rate of 19.75% (2006: 19%)	-	-
Total current tax	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is less than the average standard rate of corporation tax in the UK for the year of 19.75% (2006: 19%)

	31 Dec 07 £	31 Dec 06 £
Profit on ordinary activities before taxation	<u>16,255</u>	<u>2,411</u>
Profit on ordinary activities by rate of tax	3,210	458
Utilisation of tax losses brought forward	<u>(3,210)</u>	<u>(458)</u>
Total current tax (note 2(a))	<u>-</u>	<u>-</u>

SIENA ARTWORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

3. DEBTORS

	2007	2006
	£	£
Trade debtors	285	14,908
Amounts owed by group undertakings	23,107	580
	<u>23,392</u>	<u>15,488</u>

4. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	4,978	5,380
Other creditors	2,305	7,697
	<u>7,283</u>	<u>13,077</u>

5. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007		2006
	No	£	No
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	16,255	2,411
Opening shareholders' funds	2,411	-
Closing shareholders' funds	<u>18,666</u>	<u>2,411</u>

7. ULTIMATE PARENT COMPANY

Duncan Baird Publishers Limited, a company registered in England and Wales, is the ultimate parent company of Siena Artworks Limited

8. RELATED PARTY TRANSACTIONS

The company is controlled by the board of directors of the holding company, Duncan Baird Publishers Limited. As at 31 December 2007 the company was owed £23,107 (2006: £580) from Duncan Baird Publishers Limited.